

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE: § CASE NO. 22-33553-11
§ HOUSTON, TEXAS
ALEXANDER E. JONES, § TUESDAY,
§ JANUARY 16, 2024
DEBTOR. § 12:33 P.M. TO 12:48 P.M.

IN RE: § CASE NO. 22-60043-11
§ HOUSTON, TEXAS
FREE SPEECH SYSTEMS, LLC, § TUESDAY,
§ JANUARY 16, 2024
DEBTOR. § 12:33 P.M. TO 12:48 P.M.

STATUS CONFERENCE (VIA ZOOM)

BEFORE THE HONORABLE CHRISTOPHER M. LOPEZ
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES: SEE NEXT PAGE
COURTROOM DEPUTY/ERO: ZILDE COMPEAN

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1 HOUSTON, TEXAS; TUESDAY, JANUARY 16, 2024; 12:33 P.M.

2 THE COURT: Okay. And I appreciate everyone's
3 patience.

4 Let me call two cases. I'm going to call them
5 together, 22-33553, the Alexander Jones case, and 22-60043,
6 here on a Status Conference. We are conducting this
7 100 percent virtual. I appreciate everyone's patience.

8 If you wish to make an appearance, why don't you
9 hit five star and make an appearance and just let me know if
10 you're making an appearance in one case or both. Either one
11 works fine for me.

12 Let me go ahead and I'll start to unmute a few
13 lines.

14 Here's a 212 number.

15 MR. KIMPLER: Hi, good morning, Your Honor. It's
16 Kyle Kimpler from Paul Weiss on behalf of the Connecticut
17 Plaintiffs appearing in both the Free Speech and Jones case
18 today, together with my co-counsel, Ryan Chappell and Alan
19 Armstrong (phonetics).

20 THE COURT: Okay. Good afternoon.

21 Here's another -- here's a 713 number.

22 MR. PATTERSON: I don't know if you called my
23 number. I didn't hear you, Judge. I was -- your machine
24 was talking to me, but Johnie Patterson on behalf of ESG in
25 both cases, Judge.

1 THE COURT: Okay. Good afternoon, Mr. Patterson.
2 Here's another 713 number.

3 MR. FISHER: Judge, this is Bennett Fisher on
4 behalf of Public Storage --

5 THE COURT: Okay.

6 MR. FISHER: -- in both cases.

7 THE COURT: Good afternoon, sir.

8 MR. FISHER: Thank you.

9 THE COURT: Here's a 212 number.

10 MS. BRAUNER: Good afternoon, Your Honor. Sara
11 Brauner, Akin, on behalf of the Creditors Committee and with
12 me are my partners, Katherine Porter and David Zensky.

13 THE COURT: Okay. Good afternoon.
14 Here's a 214 number.

15 MS. DRIVER: Good afternoon, Your Honor. Vickie
16 Driver on behalf of Alex Jones in his case, as well as a
17 party-in-interest in the Free Speech case.

18 THE COURT: Okay. There's a 210 number.

19 MR. BATTAGLIA: Good afternoon, Your Honor. Ray
20 Battaglia for Free Speech Systems appearing in both cases.

21 THE COURT: Okay. Good afternoon.

22 A 512 number?

23 MR. LEMMON: Your Honor, Steve Lemmon on behalf of
24 PQPR in the FSS case.

25 THE COURT: Okay. Good afternoon.

1 I think I have covered all of the five stars.

2 Why don't I start -- Ms. Driver, why don't I start
3 with you? Maybe we can kind of just --

4 MR. RUFF: Your Honor, before she does. I was
5 unmuted from the prior hearing so if I could just give my
6 appearance real quick?

7 THE COURT: Please. Please go ahead.

8 MR. RUFF: Jayson Ruff on behalf of the United
9 States Trustee in both matters.

10 THE COURT: Okay. Ms. Driver, I just wanted to --
11 it's been awhile since we all got together and there were a
12 number of pleadings being filed and I know that the
13 Committee has filed some stuff. Maybe it just makes sense
14 if we can just kind of talk at the 10,000-foot level and
15 where you think things are in connection with the case at
16 this time.

17 MS. DRIVER: Certainly, Your Honor. Thank you.

18 I believe that everything is moving forward
19 towards approval of -- conditional approval of Disclosure
20 Statement and a Confirmation hearing. We seem to be able to
21 move through the deadlines in the uploaded Scheduling Order.
22 I think everything is rolling along at a pretty good pace.

23 There are discussions related to settlement, but
24 also just moving, you know, through the process if we just
25 have to move through the process. Obviously it's always

1 helpful if we can have an uncontested Confirmation Hearing,
2 but at present I believe that the Plan is to have both the
3 Committee and the Debtor in the Jones' case move forward
4 with approving their Disclosure Statements on January 24th,
5 if that works for Your Honor's calendar, and then having a
6 Plan --

7 THE COURT: What was the date, Ms. Driver?

8 MS. DRIVER: -- Confirmation --

9 THE COURT: What was the date?

10 MS. DRIVER: January 24th.

11 THE COURT: Okay.

12 MS. DRIVER: And I don't think we had gotten a
13 time for that, but it could be a few hours. I wouldn't
14 imagine it's going to be a whole lot more. I will obviously
15 defer to the Committee or either one of the groups of
16 Plaintiffs if they have a different view, I would imagine
17 that a morning or an afternoon should be sufficient.

18 THE COURT: And exactly what we would take up on
19 this -- I'm writing stuff down as you speak.

20 MS. DRIVER: It would be the emergency motion that
21 both the Committee filed and the Debtor filed seeking
22 conditional approval of each party's Disclosure Statement.

23 THE COURT: Okay.

24 MS. DRIVER: And if we got conditional approval on
25 that day, obviously it would be approving the form of the

1 solicitation packages and then setting deadlines, moving
2 towards Confirmation.

3 THE COURT: Okay. Got it. Got it.

4 There were a number of other -- maybe I can have
5 the others -- a number of other motions. I think you filed
6 an application to employ a real estate broker and some other
7 matters.

8 Do we want to -- are any of those emergency
9 motions?

10 MS. DRIVER: I have --

11 THE COURT: Or what are your thoughts on just
12 timing on those?

13 MS. DRIVER: No, Your Honor, they're not
14 emergency. We just wanted to get approval so we could get
15 -- those are to employ brokers to sell certain pieces of
16 non-exempt real property of the Debtor.

17 I have been running it past the Committee before
18 filing them so that we, at least as the Committee is
19 concerned, don't have controversy as to their employment.
20 So we're happy to move forward on those probably on that
21 same date, just to consolidate hearings, in the event that
22 there's an objection that's filed or if they're not objected
23 to, we can just present them as uncontested applications.

24 THE COURT: Okay. Okay. Thank you.

25 Let me hear from the Committee. What are your

1 thoughts?

2 MS. BRAUNER: Good afternoon, Your Honor. Again
3 for the Record, Sara Brauner, Akin, on behalf of the
4 Committee.

5 No disagreement with Ms. Driver. I think our
6 anticipation would be for the Disclosure Statement to move
7 forward on the 24th, subject to the Court's availability,
8 after which we would commence solicitation targeting
9 presumably a Confirmation Hearing late February subject to
10 coming back to the Court, you know, to the extent that needs
11 to be pushed.

12 THE COURT: Why don't we, just for purposes of
13 scheduling that hearing, set January 24th at 3:00 p.m. for
14 that one and it'll go till it goes.

15 I've got -- I just don't know what I don't know.
16 I have a couple of hearings that morning and I don't know.
17 You know, it's one of those that it could be really
18 contested, it could not be, I just don't know.

19 But I know that that 3:00 o'clock time works.

20 MS. BRAUNER: And Your Honor, we agree with
21 Ms. Driver. I don't expect the hearings would need more
22 than an hour or two.

23 THE COURT: Okay. Okay. But you'll have it, if
24 you need it. I just don't want to jam you or make you show
25 up and then have you sit there for a while on stuff.

1 So with respect to the Free Speech, I know we were
2 thinking about coordinating that stuff.

3 Mr. Battaglia, where do things stand with respect
4 to Free Speech?

5 MR. BATTAGLIA: Your Honor, there are obviously
6 some structural differences between the cases. Because
7 we're Sub V, we don't have a Disclosure Statement issue, but
8 we submitted a Scheduling Order that narrows in substantial
9 part the Scheduling Order that was submitted in the Jones'
10 case reflecting those differences and it was passed by all
11 of relevant constituents and Mr. Kimpler had some comments.
12 We've incorporated those. So that's out there.

13 As far as other matters that are pending, you
14 know, I don't know that the Court requires approval of the
15 ballots, proposed form of ballots. Normally that might be
16 something I'd do in conjunction with a Disclosure Statement,
17 but I have form ballots prepared.

18 The Debtor does intend to amend its Schedules
19 primarily to reduce the -- to eliminate unsecured creditors
20 who are identified, who are not actually owed money. And so
21 we will be presenting a bar date order with respect to those
22 creditors any changes so those parties have an opportunity
23 to file Proofs of Claim.

24 And the only other thing I can think that's
25 pending is the Alex Jones' employment agreement. I intend

1 to file an amended motion that has some changes to that form
2 of agreement and, you know, we'd like to that take up at
3 some point, as well.

4 THE COURT: So when you file that motion, can you
5 just reach out to my case manager? Let's get you a date,
6 just so it doesn't fall through the cracks and I'm going to
7 -- just so we have it there and we can all kind of pick a
8 date and agree on a date and take it up, even if it's a
9 standalone.

10 MR. BATTAGLIA: I do that, Your Honor.

11 THE COURT: Go ahead.

12 MR. BATTAGLIA: There's one other matter I forgot.
13 I just saw Mr. Patterson's face and I realized I need to
14 bring this up is that the issue between ESG and CMC on --
15 let's call it a "Marketing Agreement," needs to be resolved
16 and I'm sure he's going to bring it up if I didn't.

17 And I can reach out contemporaneously to
18 Mr. Patterson and Ms. Saldana and find a date for that if
19 we're unable to work that out, as well.

20 THE COURT: Okay. How much -- well, I guess I'll
21 ask Mr. Patterson the same question, but just your thoughts
22 in terms of how much time do you think it would need. Are
23 we talking legal argument or an evidentiary hearing in
24 connection with it?

25 MR. BATTAGLIA: If there's a dispute, it's

1 probably evidentiary hearing, as well, and it's
2 Mr. Patterson, so it's going to go a little longer.

3 I said that with a smile on my face.

4 THE COURT: Mr. Patterson, what are you thoughts
5 on the motion? I don't know much about it and probably
6 don't need to at this point, but just so I can get a sense
7 of kind of how much time you think you're going to need and
8 when we may need to set a date.

9 MR. PATTERSON: Well, I guess I'm not sure there's
10 a motion on file.

11 THE COURT: There isn't, that's why --

12 MR. PATTERSON: And if there is --

13 THE COURT: -- I don't think there is, but ---

14 MR. PATTERSON: -- yeah, so there's not and I
15 think what Mr. Battaglia is referring to is ESG anticipates
16 filing an adversary proceeding because it's going to include
17 CMC as a non-debtor and non-creditor.

18 So if you're asking how long, however we keep the
19 dispute --

20 THE COURT: Oh, no, no, no. You've answered my
21 question.

22 MR. PATTERSON: -- is (indiscernible).

23 THE COURT: The minute you said adversary
24 proceeding, that just takes, that just changes the dynamic
25 on a bunch of stuff. So I think maybe the better approach

1 would be wait to see what gets filed and then maybe we can
2 set a time -- a separate time and just a one-off time to
3 talk scheduling.

4 MR. PATTERSON: Right. I think that's probably
5 best.

6 THE COURT: Okay. Okay. Is there anything else
7 we need to talk about or consider at this time, anything
8 that has come up? It's just been a while since we all met.
9 I just wanted to make sure we were all touching base in a
10 number of matters, motions and --

11 MR. BATTAGLIA: I think Ms. Porter and I had a
12 discussion about discovery issues. I think there's only one
13 lingering issue. I don't -- I'll circle back to her to see
14 where it is, but we've been successful in working out those
15 issues and hopefully can with respect to the one remaining
16 matter.

17 And then I guess the last thing, Your Honor, is
18 the Court had set -- or said there were dates available for
19 a joint Confirmation Hearing. I know both Scheduling Orders
20 include a range of dates and I don't know whether you want
21 to drill down into that and give us a date and a time, or do
22 you want to wait until the 24th?

23 THE COURT: Yeah, I will -- yeah, let's just wait
24 on the 24th, but I'll be working with my case manager to
25 make sure that we block off some dates there, to make sure

1 nothing gets -- nothing happens between now and next week
2 when we talk about scheduling. At least the dates that I
3 give you -- I'm running solo here today in light of all the
4 stuff that was going on in Houston, so I'd rather not give
5 out a date now, because it will surely change if I give it
6 out now.

7 Let's do that. And Mr. -- I'm seeing like an
8 application to employ calendared, well, yeah, it's an
9 application to employ some auctioneers. Let's just all set
10 that -- unless somebody tells me differently, we can set it
11 on notice or we can set it -- at least let's just think
12 about -- well, you know, that thing has been out for a
13 while.

14 Why don't I set it for the date that we set for
15 the Disclosure Statement hearing? Let's just take those
16 applications up at that time, as well, and just kind of see
17 -- subject to anyone's objection rights obviously.

18 MS. DRIVER: We'll send a notice out for that,
19 Your Honor. Thank you.

20 THE COURT: Okay. Anything else we need to talk
21 about today? Anything else going on?

22 (No audible response.)

23 THE COURT: Let me just do a quick check here.

24 Oh, there was one party who wanted to hit five
25 star, sorry.

1 MS. FREEMAN: Good afternoon, Your Honor. This
2 was just Liz Freeman. I was hoping to make an appearance in
3 the FSS case --

4 THE COURT: Oh, go ahead.

5 MS. FREEMAN: -- on behalf of Melissa Hazelton,
6 the Subchapter V Trustee and Ms. Hazelton is also in
7 attendance.

8 THE COURT: Thank you very much. Sorry about
9 that.

10 Okay. All righty, folks. Thank you very much for
11 your patience. We will see each other sounds like really
12 really soon.

13 Thank you very much. Have a good day.

14 (Hearing concluded at 12:48 p.m.)

15 * * * * *

16 *I certify that the foregoing is a correct*
17 *transcript to the best of my ability from the electronic*
18 *sound recording of the ZOOM/video/telephonic proceedings in*
19 *the above-entitled matter.*

20 /S/ MARY D. HENRY

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